

RETURN

(95e)

OTTAWA, May 10, 1911.

SIR,—Referring to our several interviews and to the note verbale of April 24, last, communicated to me by you this day in an amended form, I have to observe that the terms and conditions of the Treaty of April 3, 1911, between Great Britain and Japan do not seem to be in their entirety adapted to the circumstances of Canada, and therefore we have some hesitation in advising that immediate adherence to it on the part of Canada which your Government desires.

Article 8 of the Treaty of April 3 provides that—

“The articles, the produce or manufacture of the United Kingdom, enumerated in Part I of the Schedule annexed to the Treaty, shall not, on importation into Japan, be subjected to higher customs duties than those specified in the Schedule.

“The articles, the produce or manufacture of Japan, enumerated in Part II of the Schedule annexed to this Treaty, shall be free of duty on importation into the United Kingdom.”

There might be a question whether in the event of Canada giving adherence to the Treaty, the schedule referred to in Article 8 would thereupon become applicable to Canada. Granting however that it would so apply, an examination of its details show that while no doubt well adapted to the conditions of the trade between Great Britain and Japan, the schedule is not wholly suitable to the commercial interchanges between Japan and Canada. Part I of the Schedule, for example, which contains a list of British products upon which maximum duties are fixed, does not include many products in the export of which Canada is largely interested; and on the other hand, Part II of the Schedule, containing a list of Japanese products to which Great Britain agrees to give admission free of duty, includes silks and other articles which are dutiable on importation into Canada although free of Customs duty in Great Britain.

It would therefore appear that the schedule of the Treaty of April 3, is not wholly applicable to the conditions of trade between Japan and Canada, and that if a commercial arrangement is to be made to suit these conditions it will probably have to be accomplished by means of a separate treaty. It would be reasonable to expect that the negotiations and formal steps necessary to the making of such treaty would not be completed before July 17 next when the present Treaty will expire.

The Canadian Government therefore propose to avail themselves of the suggestion contained in the 3rd paragraph of the note verbale of April 24 communicated to me this day:

“The Imperial Japanese Government have no hesitation in expressly declaring that it is their policy not to extend the term of their present treaty with any country, even though the new treaty could not be concluded before the expiration of the existing one. However, in case unavoidable circumstances prevent the conclusion of the new Treaty in due time, the Imperial Government may, as a matter of convenience, enter, with the parties concerned, into a temporary agreement engaging the reciprocal grant of the most favoured nation treatment, for the purpose of regulating their commercial and tariff relations pending the conclusion of the new Treaty. But they are firmly determined not to extend the term of their existing Treaty with any country.”

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In pursuance of what I understand to be the policy of your Government as thus set forth, I would suggest that, leaving all other matters affecting the intercourse between Japan and Canada to the mutual good will of the two countries and the comity of nations, a temporary arrangement be made providing that from and after July 17, 1911, Canada shall receive in Japan the tariff treatment as expressed in Article V of the Treaty of Commerce and Navigation between Great Britain and Japan signed at London on July 16, 1894, which was made applicable to Canada by the Convention between the United Kingdom and Japan respecting Commercial Relations between Canada and Japan signed at Tokio on January 31, 1906, and that reciprocally Japan shall receive in Canada the tariff treatment as expressed in the said Article B.

The question of the form in which such an agreement may most conveniently be made is a matter which can receive further consideration upon our receiving an intimation that the Japanese Government are willing to agree to the proposal herein made.

The question of immigration has been discussed between us on several occasions. I do not deem it necessary that this should be more than mentioned here, inasmuch as the assurance received from you of the willingness of your Government to continue the friendly understanding on that matter at present existing is entirely satisfactory to us.

I have the honour to be, sir,

Your obedient servant,

(Sd.) W. S. FIELDING,
Minister of Finance.

The Honourable T. NAKAMURA,

Imperial Japanese Consul General,
Ottawa.

IMPERIAL CONSULATE GENERAL OF JAPAN FOR THE
DOMINION OF CANADA.

April 24, 1911.

Note-verbale relating to the Treaty Relations between Canada and Japan.

Regarding those inquiries which were made by the Honourable W. S. Fielding, Minister of Finance, on the occasion of his interview with Mr. T. Nakamura, Consul General of Japan, at Ottawa, which took place on April 17, at the Prime Minister's Office, the latter has been instructed by the Imperial Japanese Government to express their views in the following sense:—

“While the Imperial Japanese Government keenly desire to see a further development in the commerce between their country and Canada, they are of the opinion that in view of the present state of trade between the two countries, no tariff arrangements which may be satisfactory to both parties can for the present be established. It is therefore highly desirable that the Canadian Government will appreciate this reason by looking into the letter dated February 27 from the Consul General of Japan to the Minister of Finance as well as into the note of the Japanese Ambassador in London, a copy of which the Consul General handed to the Minister on April 17, and may come to a final decision to adhere to the new Treaty between Great Britain and Japan, without insisting upon the conclusion of special tariff convention, the negotiations of which the Imperial Government desire to defer until the commercial development between Canada and Japan may reach such a stage as to warrant the conclusion of that convention to the mutual satisfaction of both parties.

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"In the event of Canada's adherence to the new Treaty, while the treaty relations between Canada and Japan will, on the one hand, be happily continued without interruption after July next, Canada may, on the other, secure the same position as the United States has in her new Treaty with Japan in respect of customs duty, a position similar to that which Canada is now enjoying in her present Treaty with Japan in acquiring the guarantee of the most favoured nation treatment.

"The Imperial Japanese Government have no hesitation in expressly declaring that it is their policy not to extend the term of their present Treaty with any country, even though the new Treaty could not be concluded before the expiration of the existing one. However, in case unavoidable circumstances prevent the conclusion of a new treaty in due time, the Imperial Government may, as a matter of convenience, enter, with the parties concerned, into a temporary agreement engaging the reciprocal grant, of the most favoured nation treatment, for the purpose of regulating their commercial and tariff relations pending the conclusion of a new treaty. But, they are firmly determined not to extend the term of their existing Treaty with any country.

"Regarding the tariff question between Canada and Japan, the Imperial Government, as aforesaid, do not anticipate that the negotiations may be concluded satisfactorily at the present time. It is therefore very probable that the existing Treaty between Canada and Japan may eventually expire before their new treaty relations have been established. To prevent such an eventuality, a temporary agreement may be contemplated between Canada and Japan, by which the reciprocal grant of the most favoured nation treatment will be made, in order that the question of the special tariff convention may be carefully considered in future. But, this object can better be attained by Canada's adherence beforehand to the new Treaty between Great Britain and Japan, as the most favoured nation treatment is guaranteed in that Treaty and this adherence does in no way prevent the future negotiations concerning the conclusion in proper time of a special tariff convention between Canada and Japan.

"Under these circumstances, the Imperial Japanese Government earnestly hope that the Canadian Government, taking into consideration the special relations now existing between Great Britain and Japan, may find it suitable to adhere, before the termination of the present Treaty between Canada and Japan, to the new Treaty between the latter and Great Britain, with a view not to leave the matter unsettled, but to place the existing happy relations between Canada and Japan upon as strong a foundation as possible, and may also decide to defer the negotiations concerning the Special tariff convention between Canada and Japan until their commercial development may reach such a stage as to warrant the conclusion of that convention to the mutual satisfaction of both parties."

IMPERIAL CONSULATE GENERAL OF JAPAN FOR THE
DOMINION OF CANADA.

OTTAWA, February 27, 1911

DEAR SIR,—I had the honour of an interview with the Right Honourable Sir Wilfrid Laurier on January 21, when I talked with him informally with regard to the subject concerning Canada's adhesion to the new commercial treaty now in contemplation between the British and the Japanese Governments. On that occasion, the Prime Minister told me that the Canadian Government had requested the British Government to cause strong representations to be made to my Government against the Japanese Revised Tariff, and he was good enough to send me, in compliance with my request, a copy of the document (an Order in Council), dated January 11, 1911, on the subject of the Customs Tariff Law of Japan, setting forth the views of the Canadian Government on the subject. Having perused this document, I found that the articles cited therein as those of the principal exports from Canada to Japan,

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upon which the customs duties had been increased in the Revised Tariff, corresponded with those which were mentioned in your letter of November 15th last. The Prime Minister also asked me to add wood-pulp, mechanical and sulphite, to the list of articles mentioned in the said document, and expressed his hope that the rates of duty on all of them might be reduced to those specified in the existing conventional tariffs.

Immediately after this interview, I wired to my Government the purport of what the Prime Minister told me, and, to this, I received a telegraphic answer stating that detailed information would be sent to me by mail so that I might be able to present to the Canadian Government a thorough explanation on the matter. Thereupon, I wrote to the Prime Minister informing him of this fact and intimated to him, at the same time, that after the receipt of the said information, I should communicate it to you.

Having received by mail, a few days ago, the information just referred to, I have examined it carefully, and I beg to say that I am now able to bring to your attention the following statement bearing on the subject. It is earnestly hoped that this statement may be instrumental in disposing of the objections proposed by the Canadian Government against the Japanese Revised tariff.

1. The articles enumerated by the Canadian Government as those of the principal exports from Canada to Japan, upon which the customs duties have been increased in the Revised Tariff, are as follows:—

- A. Milk and cream, condensed,
- B. Pig lead,
- C. Dynamite,
- D. Gunpowder,
- E. Flour of wheat,
- F. Sewing machines.
- G. Wood pulp.

Of these articles, while the first three are included in the list of the existing conventional tariffs, all the others are not.

2. *Milk and Cream, condensed.*—Regarding the existing conventional tariffs, as is fully explained in the pamphlet which I sent to you for your information on January 23, the rates of duty arranged therein are generally too low, and, the establishment of such low rates was an unavoidable outcome of the conditions which existed at the time when they were created. For this reason it may be easily understood that further continuation of the schedules in the existing conventional tariffs is unsuited to the present condition and permanent economic interests of my country. Consequently, the present Statutory Tariff was established with the expectation of replacing them immediately upon their termination. But considering the existence of the very low conventional tariffs, the rates of the present Statutory Tariff were reduced for the purpose of maintaining the orderly progress of the Japanese economic world.

I will take, for instance, milk and cream, condensed. The rate of duty on this article in the present Statutory Tariff is forty per cent while, in the Revised Tariff it is reduced to twenty per cent. (Table A.) Besides, this latter rate is, generally speaking, lower than that on the same article in the tariffs of other foreign countries. (Table C).

3. *Pig lead.*—The rate of duty on this article in the Revised Tariff is the same as that on the same article in the existing conventional tariffs, which is five per cent. The duty (Yen 0.40 per 100 kin) in the Revised Tariff appears superficially, to have been raised as compared with that (Yen 0.316 per 100 kin) in the conventional tariffs. But this increase is a natural result of the calculation of the specific rates based upon the advanced value of the article.

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4. *Dynamite and Gunpowder*.—(the latter, not included in the list of the present conventional tariffs.)

The duties on these articles in the Revised Tariff have been slightly raised as compared with those on the same articles in the existing conventional tariffs as well as in the present Statutory Tariff; but they have not been imported at all from Canada to Japan. The explosive which has been imported to Japan from Canada is Detonator, of which an explanation will be given in the following paragraph.

5. *Detonator*.—(not included in the list of the present conventional tariffs.)

The duty on this article in the Revised Tariff has been reduced from Yen 30.30 to Yen 25.50 per 100 kin, as compared with that on the same article in the present Statutory Tariff. (Table A.)

6. *Flour of Wheat and Sewing Machines*.—(not included in the list of the existing conventional tariffs.)

Although the duties on these articles in the Revised Tariff have been slightly raised as compared with those in the present Statutory Tariff, they are, generally speaking, still lower than the duties on the same articles in the tariffs of other foreign countries. (Table C.)

7. *Wood pulp*.—(not included in the list of the existing conventional tariffs.)

In the Revised Tariff, Pulp for paper making is divided into two classes, mechanical and other (chemical). Although the duty on chemical pulp is raised from Yen 0.25 to Yen 0.27 per 100 kin as compared with that in the present Statutory Tariff, yet, the duty on mechanical pulp is reduced from Yen 0.25 to Yen 0.22 per 100 kin.

In the present Statutory Tariff, no such classification had been made, a duty of Yen 0.25 per 100 kin being levelled on both mechanical and chemical pulps. The latter, however, being superior in quality and higher in price, the greater part of the pulp for paper making imported to Japan has been of that class, seeing that it has been unfairly placed in a more favourable position as regards the duty. Therefore, the classification in the Revised Tariff has been made solely with a view to dispensing with this unfairness of taxation and not with a view to the increasing of duties.

8. In the Revised Tariff, there are many articles which have been placed in the free list upon which duties have been reduced. Among these, those articles which, produced or manufactured in large quantities in Canada and exported, to considerable extent, to foreign countries, have a promising future in the Japanese markets, are as follows (Table B.):—

Animal hairs; Feathers and downs; Animal tusks; Animal horns; Hides and skins of bulls, oxen, cows and buffaloes; Beef; Meats; Poultry and game, preserved in tin, bottle or jar; Dried fruits; Senega root; Detonators; Mechanical pulp; Animal fats, except lard; Cedar.

9. From the foregoing statement, it may be concluded that the Revised Tariff, generally speaking, will have a good effect upon the exports of Canada and Japan.

Although there are, in fact, a few articles of Canadian export upon which duties have been increased, to a certain extent, in the Revised Tariff, this is entirely due, as is fully explained in the pamphlet referred to in paragraph 2, either to the unavoidable special conditions according from the present economic and financial state of affairs in my country or to the natural results attendant on the calculation of the specific rates based upon the advanced values of articles.

10. I beg to enclose herewith for your information the following tables:—

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1. TABLE A.—Showing the relative rates of duty on Milk and Cream, condensed; Lead; Dynamite; Gunpowder; Detonators; Flour of wheat; Sewing machines and Pulp in the Revised Tariff, the present Statutory Tariff and the existing conventional tariffs.

2. TABLE B.—Showing the articles of Canadian export which have been placed in the free list or upon which duties have been reduced in the Revised Tariff.

3. TABLE C.—Showing Japanese Tariff rates on Flour of wheat, Condensed milk and Sewing machines in comparison with those in Foreign Powers.

Yours very respectfully,
(Sd). T. NAKAMURA,
Consul-General for Japan.

The Honourable WILLIAM STEVENS FIELDING,
Minister of Finance,
Ottawa.

TABLE A.—Showing the relative rates of duty on Milk and Cream, condensed; Lead; Dynamite; Gunpowder; Detonators; Flour of wheat, Sewing machines and Pulp in the Revised Tariff, the present Statutory Tariff and the existing conventional tariffs.

ARTICLES.	REVISED TARIFF.		PRESENT STATUTORY TARIFF.		CONVENTIONAL TARIFF	
	Unit.	Rates of duty.	Unit.	Rates of duty.	Unit.	Rates of duty.
Milk and cream condensed.....	100 kin (including receptacles).....	Y. 5.55	100 kin (including receptacles).	Y.10.00	dox.1lb tins.	Y.0.123
Pig lead	100 kin.....	Y. 0.40	100 kin.....	Y. 0.38	100 kin.....	Y.0.316
Dynamite	100 kin.....	Y. 6.10	100 kin.....	Y. 5.90	1 kin.....	Y.0.056
Gunpowder.....	100 kin.....	Y. 8.05	100 kin.....	Y. 6.30	.....
Detonators.....	100 kin (including inner packages).....	Y.25.50	100 kin (including inner packages).....	Y.30.30	.....
Flour of wheat.....	100 kin.....	Y. 1.85		Y. 1.45		
Sewing machines :—						
1. Without stands including tops of sewing machines...	100 kin.....	Y.16.30	100 kin.....	Y.11.10	.....
2. Other.....	(including inner packages).....	Y.11.10	(including inner packages).....	Y. 8.25	.....
Pulp for paper making :—						
1. Mechanical pulp ..	100 kin.....	Y. 0.22	100 kin	Y. 0.25	
2. Other.....	100 kin.....	Y. 0.27				

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TABLE B.—Showing the articles of Canadian export which have been placed in the free list, or upon which duties have been reduced in the Revised Tariff.

Articles.	Unit.	Present Statutory Tariff.	Revised Tariff.
		Yen.	
Hair, animal.	100 kin.	{ Hair of pig or hog Free. Badger 33.50 Horse 5.85 All other, ad val. 10%	{ Free.
Feathers and downs. . . . .	. . . . .	ad val. 50%	{ For ornaments 40% Other 20%
Tusks, animal.	100 kin.	{ Tusks or ivory, elephant . . 45.20 Tusks waste 9.00 Walrus or sea-horse 20.40 Other, ad val. 20%	{ Free.
Horns, animal.	100 kin.	{ Horns—Bull, ox, cow and buffalo 2.00 Deer 4.10 All other, ad val. 20%	{ Free.
Hides and skins of bulls, oxen, cows and buffaloes	100 kin. . . . .	. . . . . 1.20	Free.
Beef	100 kin.	ad val. 30%	{ 3.80 20%
Meats, poultry and game	100 kin (includ- ing receptacles)	{ 9.75 40%	{ 35%
Dried fruits	100 kin. . . . .	. . . . . 8.10	6.90.
Senaga, root	100 kin. . . . .	. . . . . 22.50	19.40.
Detonators	100 kin. (includ- ing inner pack- ages)	. . . . . 30.30	25.50.
Mechanical pulp	100 kin. . . . .	. . . . . 0.25	0.22.
Animal fats, except lard	100 kin. . . . .	. . . . . 1.34	0.80.
Cedar	One inch in thickness, 100 superficial ft..	. . . . . 0.60	Free.

TABLE C.—Showing Japanese Tariff rates on Flour of wheat, Condensed milk and Sewing machines in comparison with those of Foreign Powers.

WHEAT FLOUR.

Countries.	Tariffs.	Units.	Rates of duty.
			Yen.
Japan	New tariff	100 kin.	1.85
France	{ General Minimum	{ " "	{ 3.72 2.55
Germany	{ General Conventional	{ " "	{ 5.38 2.93
Austria-Hungary	General	"	3.66
Italy	"	"	2.67
Russia	"	"	1.70
U.S.A.	{ Maximum Minimum	{ 25% ad valorem in ad- dition to the mini- mum rate. 25%.	{
Canada	{ General Intermediate	{ 100 kin. "	{ 0.81 0.68

CONDENSED MILK.

Countries.	Classification in Foreign Tariffs.	Tariffs.	Units.	Rates of duty.
				Yen.
Japan		New tariff.....	100 kin including receptacles.	5.55
		Ad valorem taken as bases of specific duty.....		20%
	Pure	General.....	100 kin, &c. (a) ..	2.90
		Minimum.....	" (a) ..	1.45
France	Less than 40% of sugar.....	General.....	" ..	14.28
		Minimum ...	" ..	4.50
	From 40% to 50% exclusive of sugar.	General.....	" ..	14.28
		Minimum.....	" ..	5.22
Germany.....		General	" ..	17.21
Austria-Hungary .	Without addition of sugar..	General.....	" ..	29.30
		Conventional.	" ..	2.44
	Without addition of sugar..	General.....	" ..	3.48
		Conventional.	" ..	1.16
Italy	Not more than 40% of added sugar.	General.....	" ..	29.03
		Conventional.	" ..	9.29
	40% and more of added sugar. ..	General.....	" ..	29.03
		Conventional.	" ..	13.93
Russia..... :		General.....	" (a) ..	44.89
U.S.A.....		Maximum.....	25% ad val. in addition to the minimum rate.	
		Minimum	100 kin, &c.....	5.31
Canada		General ..	" ..	8.62
		Intermediate. ...	" ..	7.96

(a) The weight calculated by deducting 20% from the gross weight.

SEWING MACHINES.

Articles.	English Equivalents.
	£ s. d.
JAPAN.	
Sewing machines :	
(1) Without stands, including tops of sewing machines..... Cwt.	1 8 2½ (Ad. val. 25%)
(2) Other..... "	0 19 2½ (Ad. val. 25%)
RUSSIA.	
Sewing machines : also spare parts imported together with the machines..... "	1 1 0
SPAIN.	
Sewing machines, of any weight..... "	1 8 6
AUSTRIA-HUNGARY.	
Sewing machines :	
(1) Finished parts of machines : Tops for flat-stitch or wendling-stitch sewing machine with one needle... .. "	1 10 11
Tops for other sewing machines	1 5 5
(2) Sewing machines with stands : Sewing machines (flat-stitch or wendling-stitch) with one needle..... "	1 1 2
Other sewing machines with stands..... "	0 15 3
UNITED STATES.	
Sewing machine.....	(Ad. val. 30%)
CANADA.	
Sewing machines and parts thereof	(General T.) (Intermediate T.) Ad. val. 30% Ad. val. 27½%

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CERTIFIED copy of a Report of the Committee of the Privy Council, approved by His Excellency the Administrator on January 11, 1911.

The Committee of the Privy Council have had before them a Report, dated December 27, 1910, from the Secretary of State for External Affairs, to whom was referred a despatch, dated June 1, 1910, from the Right Honourable the Principal Secretary of State for the Colonies, transmitting copy of the draft Customs Tariff Law of Japan, and enquiring whether the proposed tariff will affect adversely any commercial interests in the Dominion.

The Minister submits hereunder a statement of those articles among the principal exports from Canada to Japan upon which the Japanese Government propose to increase the tariff. The statement shows those items upon which the tariff is more largely increased. The old and proposed new tariff are indicated thereafter, together with the amount of Canadian exports:—

Articles.	Present tariff.	Proposed new tariff.	Canadian exports to Japan, year March 31, 1910.
Milk and cream condensed, per doz. of 1 lb. tins.....	3d.	* 19/2	\$ 16,800
Flour of wheat, per cwt.....	2/6	2/10 ¹ / ₄	58,136
Sewing machines, per cwt.....	19/2 ¹ / ₂	1/8/2 ¹ / ₂ d.	55,819
Pig lead, per cwt.....	6 ¹ / ₂ d.	8/30	182,836
Explosives—			
Gunpowder, per cwt.....	10/10 ³ / ₄	13/11	
Dynamite " ".....	9/8 ¹ / ₄	10/6 ¹ / ₂	
			\$332,291
Total Canadian exports to Japan.....			\$660,522

* Per cwt.

The Minister observes that the Minister of Trade and Commerce considers that while the total exports from Canada to Japan for the fiscal year ended March 31, 1910, amounted to only \$660,522, there is every reason to believe that the trade should very largely increase in the near future; but it appears that some of the more promising of the Canadian exports—notably in the case of sewing machines and condensed milk and cream—will be met with a prohibitive tariff as is shown by the above figures.

The Committee, on the recommendation of the Secretary of State for External Affairs, advise that Your Excellency may be pleased to forward a copy hereof to the Right Honourable the Principal Secretary of State for the Colonies, with the suggestion that strong representations should be forwarded to the Japanese authorities against such heavy increases in the tariff as those now proposed.

All of which is respectfully submitted for approval.

(Sd.) RODOLPHE BOUDREAU.

Clerk of the Privy Council.

COPY of the note sent to the British Board of Trade from the Japanese Ambassador in London, with regard to the tariff and immigration questions between Canada and Japan.

1. Regarding the tariff arrangements with Canada, the policy of the Imperial Japanese Government could not go beyond giving her the guarantee of the "most favoured nation" treatment and they have no inclination to conclude a reciprocal

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tariff convention. While, for the conclusion of such an arrangement special products of each countries, the importation of which into the other predominates over that of similar articles from other countries, must be selected so as to minimize the effects resulting from the participation of other countries enjoying the benefits of the "favoured nation" clause in the concessions granted, the existing state of commercial relations between Japan and Canada precludes the contracting parties from resorting to that course.

Regarding the six articles, on which the Canadian Government seem to lay importance (1) Flour of wheat imported from Canada is less than seven per cent of the importation of the same article into Japan. Moreover, the Diet introduced an alteration in the rate of duty originally proposed by the Government for that article and that circumstance shall preclude the Government from entering into a conventional arrangement with any country in the matter. It may further be observed that the new rate is lower than that obtaining in other countries (2) The importation of condensed milk and cream, sewing machines, explosives and pulp from Canada is very small. Gunpowder and dynamite imported from that country have been so unimportant in quantity as they have not hitherto formed a separate item in Customs statistics. The duty on mechanical pulp has been reduced. It may also be observed that the new rates of duty on the articles above-mentioned are not higher than those imposed in other countries. (3) It is true that the importation of pig lead from Canada is comparatively large, being thirty-five per cent of the whole import, but it does not occupy a leading position. Moreover it is to be observed that the *ad valorem* basis of the rate on this article remains the same as before. The increase in the specific duty is solely due to appreciation in the market value of the article.

In view of these considerations, the Imperial Japanese Government find it unable to enter into a conventional arrangement as regards these articles, and generally, they deem it extremely difficult to conclude a reciprocal tariff convention with Canada. Therefore, they earnestly hope His Britannic Majesty's Government will appreciate the reasons above set forth and explain the situation to the Canadian Government with a view to induce the latter to adhere to the new treaty between Japan and Great Britain, being satisfied with the reciprocal grant of the "most favoured nation" treatment. In addition, it may be stated that the Imperial Government, being keenly desirous to see a further development in the commerce between their country and Canada, and to bring still closer the general relations between the two countries, will not hesitate to take the matter into their consideration when the commercial development may reach such a stage as to warrant the conclusion of a tariff convention to the mutual satisfaction of both parties.

2. The Imperial Government intend to maintain their policy in regard to the restriction of Japanese Immigration to Canada after the expiration of the present Treaty with the latter. The understanding arrived at between the two Governments in 1908, on the subject of Immigration is quite independent of the existing Treaty concluded between Japan and Canada in 1906 and does not terminate on the expiration of that Treaty between Japan and Canada. Moreover, as there is no occasion such as that which happened in having the proviso of Article 2 of the existing Treaty between Japan and the United States struck out, the Imperial Government are of opinion that there is no necessity for their giving assurance to Canada on the subject, nor do they think that any misunderstanding shall arise in absence of such assurance.

Copy.

IMPERIAL CONSULATE GENERAL OF JAPAN FOR THE
DOMINION OF CANADA.

385 LAURIER AVENUE EAST, OTTAWA, July 5, 1910.

DEAR MR. FIELDING,—I have been studying for some time the contents of the Japanese revised tariff which passed the Imperial Diet in its last session and which

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will be put into force during next year. As a result I have found that special attention has been given in the formation of the revised tariff to the commercial relations between Canada and Japan and I would like to bring this fact to your notice as it may prove of interest to you.

I am very glad to note in the revised tariff that, compared with the present Statutory Tariff the duties on principal Canadian imports into Japan have been lowered and especially those on the articles which are now enjoying the benefit of the existing Conventional Tariff have been reduced to a great extent. This latter reduction will show that special care has been taken by the Japanese Government with a view to averting the cause of sudden commercial depression which may arise from the high rates of duty contained in the present Statutory Tariff after the existing Conventional Tariff will cease to operate during the next year. I herewith affix for your information a copy of the table prepared by my Government in order to show the comparison between the present Statutory Tariff and the Revised Tariff concerning the duties on principal Canadian imports into Japan.

With regard to wheat and flour which are the most important Canadian products, the duties have been raised to a certain extent in the Revised Tariff as compared with the present Statutory Tariff, but according to my knowledge they are still lower than those levied in other foreign countries. Generally speaking, therefore, I may be justified in saying that, so far as the Canadian imports into Japan are concerned, the Revised Tariff should be regarded as satisfactory.

I remain,

Yours very respectfully,

(Sgd.) T. NAKAMURA,
Consul-General for Japan.

Copy.

Principal imports from Canada, duties on which have been reduced in Revised Tariff.

N.B.—For convenience of comparison, duties are here given at *ad valorem* rates which serve only as a basis of computation in cases where specific duties are imposed, and have nothing to do with the application of the tariff.

Articles.	Revised tariff.	Present statutory tariff.
	p. c.	p. c.
Condensed milk	20	40
Fur	40	50
Beef, fresh	20	30
Meats, poultry, game and fish, preserved in can or bottle	35	40
Vegetables preserved in can or bottle	40	45
Hides and skins, of bulls, oxen, cows and buffaloes	Free	5
" " " of others	5	10
Tusks, horns, hoofs and sinews of animals	Free	10 or 20
Animal fats, except lard	5	10
Cotton tissues	20	30
Wood—		
Lignum vitae	Free	10
Mahogany	10	15
Oak	5	15
Cedar, not exceeding 20 c.m. in length, 7 c.m. in width and 7 m.m. in thickness	Free	10

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FINANCE DEPARTMENT, OTTAWA, CANADA,
OTTAWA, November 15, 1910.

DEAR MR. NAKAMURA,—You were good enough to write to me on July 5 last, on the subject of the Japanese Revised Tariff, drawing my attention to the effect thereof on the commercial relations between Canada and Japan. You were also good enough to send a statement of the main items of trade showing the Revised Tariff as compared with the present Statutory Tariff.

Since the receipt of your letter I have had the opportunity of consulting our trade returns for the year 1910, and I beg to enclose herewith a statement showing the value of articles exported, being products of Canada, from Canada to Japan during the year ended March 31, 1910. I have also had the advantage of examination of proposed Japanese Tariff from a document issued by the Board of Trade in London, and I find there has been an increase of duty in the proposed Tariff on the following articles of export from Canada to Japan:—

Pig lead; Milk and Cream, condensed; Flour of wheat; Explosives and Sewing machines.
Reductions of duty have been made on a number of articles, but the lines effected thereby are not of material importance to the Dominion of Canada.

Yours faithfully,
(Sgd.) W. S. FIELDING,
Minister of Finance.

Articles exported (produce of Canada) from Canada to Japan during the year ended March 31, 1910.

	Value.
The Mine—	
Coal..	\$ 19,235
Metals, lead, pig..	182,836
Fish—	
Herrings, pickled..	107,731
Salmon, canned..	3,816
Salmon, pickled..	101,164
Other articles..	102
The Forest—	
Other logs..	15
Planks and boards..	23,000
Shingles..	30
All other lumber..	965
Masts and spars..	100
Animals and their produce—	
Butter..	1,102
Cheese..	1,208
Meats, Bacon,..	85
Beef, (salted meats)..	25
Milk and cream, condensed..	16,800
Other articles..	21

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Agricultural products—	
Fruits—Apples, green..	24
Apples, canned..	32
Fruits, all other, N.E.S..	1
Flour of wheat..	58,136
Cereal foods..	162
Trees..	15
Manufactures—	
Agricultural implements..	258
Books..	1,248
Cartridges..	6,005
Clothing..	545
Cotton fabrics..	9,804
Drugs, &c..	9,314
Explosives..	18,700
Fertilizers..	10
Fur, manufactures of..	75
Hats and caps..	10
Household effects..	4,211
India rubber, manufactures of..	1,523
Iron and steel—	
Stoves..	83
Castings..	15
Machinery, N.E.S..	132
Sewing machines..	55,819
Hardware, N.E.S..	15
Steel and manufactures of, N.E.S..	15,471
Lamps and lanterns..	351
Leather, boots and shoes..	11
Spirits—	
Whisky..	522
Wood alcohol..	300
Metals, N.O.P..	1,918
Musical instruments, organs..	50
Paper—	
Wall paper..	13
N.E.S..	1,337
Silk, manufactures of..	20
Soap..	6,175
Household furniture..	82
Wood pulp, chemically prepared..	914
Wood, other..	2
Woolens..	11
Other articles..	7,659

Miscellaneous articles—	
Coffee.	10
	<hr/>
Total.	\$ 659,118
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IMPERIAL CONSULATE GENERAL OF JAPAN FOR THE
DOMINION OF CANADA.

OTTAWA, May 15, 1911.

SIR,—I beg to acknowledge receipt of your letter of the 10th instant, setting forth the views of your Government in regard to some hesitation which they have in advising immediate adherence on the part of Canada to the Treaty of April 3, 1911, between Great Britain and Japan, and suggesting that, leaving all other matters affecting the intercourse between Canada and Japan to the mutual good will of the two countries and the comity of nations, a temporary arrangement be made providing that from and after the 17th day of July, 1911, Canada shall receive in Japan the tariff treatment as expressed in Article V of the Treaty of Commerce and Navigation between Great Britain and Japan signed at London on July 16, 1894, which was made applicable to Canada by the Convention between the United Kingdom and Japan respecting Commercial Relations between Canada and Japan, signed at Tokio on January 31, 1906, and that reciprocally Japan shall receive in Canada the tariff treatment as expressed in the said Article V.

In reply, I have the honour, duly authorized by my Government, to state that the Imperial Japanese Government fully concurs in the proposal therein made by you in regard to a temporary tariff arrangement engaging the reciprocal grant of the most favoured nation treatment.

I have the honour to be, sir,

Your obedient servant,

(Sd.) T. NAKAMURA,
Consul-General of Japan.

The Honourable W. S. FIELDING,
Minister of Finance,
Ottawa.

